



4004

ANNUAL REPORT

OF

Name: BRUCE TELEPHONE CO., INC.

Principal Office: 620 N ALVEY ST
P.O. BOX 100
BRUCE, WI 54819-0100

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I SUSAN K. SKAR of
(Person responsible for accounts)

BRUCE TELEPHONE CO., INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

SUSAN K. SKAR 04/30/1998
(Person responsible for accounts) (Date)

VICE PRESIDENT
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50

TABLE OF CONTENTS

Schedule Name	Page
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BRUCE TELEPHONE CO., INC.
Utility Location: 620 N ALVEY ST
P.O. BOX 100
BRUCE, WI 54819-0100

Utility Web Site Address:

When was utility organized?: 01/01/1940

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 126 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (715) 868 - 5111
Telephone Number: (715) 868 - 3299
Email Address:

Individual or firm, if other than utility employee, preparing this report

Name: MR GARY L. MEIER
Title: CERTIFIED PUBLIC ACCOUNTANT
Firm: SIEPERT & CO. LLP
Office Address: 1920 WEST HART ROAD
BELOIT, WI 53511

Fax Number: (608) 364 - 8727
Telephone Number: (608) 365 - 2266
Email Address:

Person responsible for financial information contained in report

Name: MR DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 126 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (705) 868 - 5111
Telephone Number: (715) 686 - 3299
Email Address:

Person responsible for statistical information contained in report

Name: MR DAVID J. MANOSKY, JR
Title: PRESIDENT AND GENERAL MANAGER

Office Address: 126 NORTH ALVEY
P.O. BOX 100
BRUCE, WI 54819

Fax Number: (715) 868 - 5111
Telephone Number: (715) 868 - 3299
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: DAVID J. MANOSKY, JR.
Address: 126 NORTH ALVEY
PO BOX 100
BRUCE, WI 54819

Number of Shares Held: 107
Beneficial Owner: NONE

Name: DAVID J. MANOSKY, SR. ESTATE
Address: 126 NORTH ALVEY
PO BOX 100
BRUCE, WI 54819

Number of Shares Held: 630
Beneficial Owner: NONE

Name: DAVIDEEN J. DEMSKE
Address: 509 HUNTERS RIDGE
COPPELL, TX 75019

Number of Shares Held: 104
Beneficial Owner: NONE

Name: DOROTHY J. BEISER
Address: ROUTE #2
NEW LONDON, WI 54961

Number of Shares Held: 104
Beneficial Owner: NONE

Name: JULIANNE A. KOS
Address: 124 ARCHER AVENUE
LE MONT, IL 60439

Number of Shares Held: 104
Beneficial Owner: NONE

Name: MARY M. WRIGHT
Address: 5009 PEMBERTON LANE
THE COLONY, TX 75056

Number of Shares Held: 104
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	SUSAN E. SKAR
Address:	126 NORTH ALVEY PO BOX 100 BRUCE, WI 54819
Number of Shares Held:	104
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,092,488	1,117,632	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	130,195	136,545	2
Plant Nonspecific Operations Expense	330,949	339,297	3
Customer Operations Expense (6610-6620)	143,331	146,181	4
Corporate Operations Expense (6710-6790)	210,025	204,795	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	67,936	80,558	7
Total Operating Expenses	882,436	907,376	8
Net Operating Income	210,052	210,256	9
Other Income			
Nonoperating Income and Expense (7300)	150,494	154,347	10
Nonoperating Taxes (7400)	49,035	18,330	11
Interest and Related Items (7500)	155,151	159,276	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	(7,479)	(7,418)	14
Total Nonoperating Income	(61,171)	(30,677)	15
Net Income	148,881	179,579	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

A. SIGNIFICANT ACCOUNTING POLICIES:

1. TELEPHONE PLANT IN SERVICE IS RECORDED AT ORIGINAL COST. RETIREMENTS ARE RECORDED ON AVERAGE UNIT COSTS. FOR STATEMENT AND INCOME TAX PURPOSES, THE PROVISION FOR DEPRECIATION IS COMPUTED ON A STRAIGHT-LINE BASIS BY APPLYING CERTIFIED RATES TO GROUP ACCOUNT ASSETS AS AUTHORIZED BY THE STATE REGULATORY BODY.
2. PAYROLL TAXES, PENSIONS AND EMPLOYEES' INSURANCE COSTS ARE CAPITALIZED ON ALL PLANT ADDITIONS. INTEREST DURING CONSTRUCTION IS BEING RECORDED ON MAJOR PROJECTS. THESE CAPITALIZATIONS ARE BEING TREATED AS ADDITIONS TO TELEPHONE PLANT FOR BOTH STATEMENT AND TAX PURPOSES. THERE WAS NO INTEREST CAPITALIZED DURING 1997 AND 1996.
3. THE COMPANY HAS ELECTED TO DEFER INCOME TAX SAVINGS EARNED BY INVESTMENT TAX CREDIT AND IS AMORTIZING THESE SAVINGS OVER THE SERVICE LIFE OF THE ASSETS ON WHICH THE INVESTMENT TAX CREDIT WAS TAKEN. AMORTIZATION OF INVESTMENT TAX CREDIT AMOUNTED TO \$11,553 FOR 1997 AND \$11,769 FOR 1996.
4. OTHER ACCOUNTS RECEIVABLE INCLUDES ESTIMATED UNBILLED REVENUES FROM VARIOUS INTEREXCHANGE CARRIERS WHICH AMOUNTED TO \$67,100 AND \$66,900 AS OF DECEMBER 31, 1997 AND 1996, RESPECTIVELY.
5. THE COMPANY HAS A DEFINED CONTRIBUTION PENSION PROGRAM COVERING ALL ELIGIBLE EMPLOYEES. CONTRIBUTIONS ARE BASED UPON A PERCENTAGE OF QUALIFYING WAGES. THE PLAN IS FULLY FUNDED BY INSURANCE ANNUITIES AND CONTRACTS. THE COST OF THIS PLAN WAS \$45,520 FOR 1997 AND \$43,701 FOR 1996.

B. INCOME TAX:

THE COMPANY IMPLEMENTED FASB NO. 109, "ACCOUNTING FOR INCOME TAXES", EFFECTIVE JANUARY 1, 1993. THE COMPANY HAS RECOGNIZED THE FOLLOWING DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES:

DEFERRED INCOME TAX ON UNAMORTIZED INVESTMENT TAX CREDIT OF \$24,861 FOR 1997 AND \$26,607 FOR 1996.

DEFERRED INCOME TAX DUE TO THE TAX DEPRECIATION PROVISION BEING BASED ON MACRS FOR ALL FIXED ASSET ADDITIONS SUBSEQUENT TO 1991 AND ON THE STRAIGHT-LINE BASIS FOR ALL YEARS PRIOR TO 1992 AMOUNTING TO \$(10,651) FOR 1997 AND \$(8,283) FOR 1996.

DEFERRED INCOME TAX DUE TO UNDISTRIBUTED INCOME FROM MARKETABLE EQUITY SECURITY - LIMITED PARTNERSHIP AMOUNTING TO \$2,188 FOR 1997 AND 1996.

DEFERRED INCOME TAX ON UNREALIZED HOLDING LOSS ON MARKETABLE SECURITIES AND OTHER RELATED INCOME TIMING DIFFERENCES AMOUNTING TO \$3,865 FOR 1997 AND 1996.

TOTAL NET DEFERRED TAX ASSETS - \$20,263 AS OF DECEMBER 31, 1997 AND \$24,377 AS OF DECEMBER 31, 1996.

C. DIVIDENDS RESTRICTION:

UNDER THE MOST RESTRICTIVE PROVISIONS OF THE RUS AND RTB LOAN AGREEMENTS, APPROXIMATELY \$1,131,000 OF THE RETAINED EARNINGS ARE AVAILABLE FOR DIVIDENDS AT DECEMBER 31, 1997.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.
-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,520,135	1,361,941	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	1,520,135	1,361,941	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	8,871	9,886	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	8,871	9,886	
Other Accounts Receivable (1190)*	115,849	151,130	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	115,849	151,130	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	55,241	58,205	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	179,961	219,221	
SUPPLIES			
Inventories (1220)*	30,870	21,891	13
TOTAL SUPPLIES	30,870	21,891	
PREPAYMENTS			
Total Prepayments (1280)*	58,284	35,376	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	58,284	35,376	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,789,250	1,638,429	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	64,850	64,850	22
Nonregulated Investments (1406)*	22,526	20,700	23
Unamortized Debt Issuance Expense (1407)*	725	764	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	1,889,211	1,812,666	26
TOTAL INVESTMENTS	1,977,312	1,898,980	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*			29
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,977,312	1,898,980	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,344,841	4,318,088	30
Less: Accumulated Depreciation (3100)*	2,915,809	2,628,379	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	1,429,032	1,689,709	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	6,055	1,755	39
TOTAL TPUC	6,055	1,755	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	1,435,087	1,691,464	
TOTAL ASSETS AND OTHER DEBITS*	5,201,649	5,228,873	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	84,173	86,289	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*	5,569	3,794	4
Current Maturities--Long-Term Debt (4050)*	75,900	71,600	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*			7
Other Taxes--Accrued (4080)*	24	34	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	19,704	20,263	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	185,370	181,980	
LONG-TERM DEBT			
Funded Debt (4210)*	2,369,325	2,446,881	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	2,369,325	2,446,881	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	82,672	94,225	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	(20,263)	(24,377)	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	41,715	41,715	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	104,124	111,563	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	126,000	126,000	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	(471)	(471)	31
Retained Earnings (4550)*	2,417,301	2,362,920	32
TOTAL STOCKHOLDERS' EQUITY*	2,542,830	2,488,449	
TOTAL LIABILITIES AND OTHER CREDITS*	5,201,649	5,228,873	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	148,881	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	296,961	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	7,373	4
Other noncurrent assets	(76,584)	5
Other current liabilities	(910)	6
Other liabilities and deferred credits	(7,439)	7
Other (specify):		
TOTAL ADJUSTMENTS	219,401	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	368,282	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(40,584)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(1,826)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(42,410)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(73,178)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(94,500)	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(167,678)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	158,194	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

NONE

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

NONE

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

NONE

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

NONE

7. Changes in articles of incorporation or amendments to charter.

NONE

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

Pursuant to Siepert & Co. letter dated October 19, 1998: effective April 15, 1997, a journal entry was recorded to reclassify the company's public telephone equipment, at book value, to nonregulated accounts as follows:

a/c 1406.23	Public Telephone Equipment	\$7,590	
a/c 3100.2351	Accum. Depr. Public Tele.	7,589	
a/c 2351	Public Tele. Equipment		\$7,590
a/c 1406.24	Accum. Depr. Public Tele.		7,589

entered by ele

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
NONE	NONE	1

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars	(a)	(b)	(c)	(d)	(e)
NONE					
Docket					
Name of Affiliate					1
Designate whether billed to or from:					2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)					3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other					14
Total	0	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)
----------------------------------	-----------------------------------	--------------------------------

NONE

1

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	542	1
Uncollectibles written off during the year	1,700	2
Net write offs during the year	1,158	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
--	-------------------------------	-------------------------	----------------------------------	-------------------------------	---

NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
--------------	--	--	--	-----------------	-----------------	----------

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	42,850	1
Other:		
WITS STOCK	22,000	2
Total Investments in Nonaffiliated Companies	64,850	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
A/C 1406.10 - Miscellaneous physical property	37,203	1
A/C 1406.11 - Depreciation reserve (MPP)	(25,541)	2
A/C 1406.12 - Nonregulated inventory	397	3
A/C 1406.21 - Internet equipment	15,018	4
A/C1406.22 - Depreciation reserve - internet	(4,551)	5
A/C 1406.23 - Public telephone equipment	7,590	6
A/C 1406.24 - Depreciation reserve - public telephone	(7,590)	7

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
Total	0

1

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	42,119		1
Motor Vehicles	2112	118,476		2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115			5
Other Work Equipment	2116	141,631	2,832	6
Buildings	2121	469,681		7
Furniture	2122	29,718		8
Office Equipment	2123	19,127	582	9
General Purpose Computers	2124	93,240	6,831	10
TOTAL--GENERAL SUPPORT ASSETS:		913,992	10,245	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	505,977	1,667	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220			14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	662,487	1,053	16 A
TOTAL--CENTRAL OFFICE ASSETS:		1,168,464	2,720	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			17
Customer Premises Wiring	2321			18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	7,590		20 B
Other Terminal Equipment	2362			21
TOTAL--INFORMATION ORIG/TERM ASSETS:		7,590	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411			22
Aerial Cable	2421	0	0	23
Underground Cable	2422	51,879	0	24
Buried Cable	2423	2,026,062	23,320	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425			27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431			29
Conduit Systems	2441	150,101		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,228,042	23,320	
AMORTIZABLE ASSETS				
Capital Leases	2681			31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			42,119	1
2112			118,476	2
2113			0	3
2114			0	4
2115			0	5
2116			144,463	6
2121			469,681	7
2122			29,718	8
2123	0	0	19,709	9
2124			100,071	10
	0	0	924,237	
2211			0	11
2212	0	(623)	507,021	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	623	664,163	16 A
	0	0	1,171,184	
2311			0	17
2321			0	18
2341			0	19
2351		(7,590)	0	20 B
2362			0	21
	0	(7,590)	0	
2411			0	22
2421	0	0	0	23
2422	0	0	51,879	24
2423	1,942	0	2,047,440	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			150,101	30
	1,942	0	2,249,420	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682		32
Intangibles	2690		33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,318,088	36,285
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	1,942	(7,590)	4,344,841	
2001			0	34
			4,344,841	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	12,543	582	1
Company Communications Equipment	2123.2	6,584		2
Software	2212.1			3
Digital Switching - Central Office	2212.2	505,977	1,667	4 c
Digital Switching - Remote	2212.3			5
Step by Step Switching	2215.1			6
Crossbar Switching	2215.2			7
Satellite and Earth Station Facilities	2231.1			8
Other Radio Facilities	2231.2			9
Digital Circuit Equipment	2232.1	662,487	1,053	10 c
Analog Circuit Equipment	2232.2			11
Light Wave Circuit Equipment	2232.3			12
Aerial Cable - Nonmetallic	2421.1			13
Aerial Cable - Metallic	2421.2			14
Underground Cable - Nonmetallic	2422.1			15
Underground Cable - Metallic	2422.2	51,879		16
Buried Cable - Nonmetallic	2423.1			17
Buried Cable - Metallic	2423.2	2,026,062	23,320	18
Submarine Cable - Nonmetallic	2424.1			19
Submarine Cable - Metallic	2424.2			20
Intrabuilding Cable - Nonmetallic	2426.1			21
Intrabuilding Cable - Metallic	2426.2			22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS) **(cont.)**

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			13,125	1
2123.2			6,584	2
2212.1			0	3
2212.2		(623)	507,021	4 c
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1		623	664,163	10 c
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			51,879	16
2423.1			0	17
2423.2	1,942		2,047,440	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	94,785		4,932		1
Aircraft	2113					2
Special Purpose Vehicles	2114					3
Garage Work Equipment	2115					4
Other Work Equipment	2116	87,024	10.0	14,305		5
Buildings	2121	157,006	3.3	15,499		6
Furniture	2122	28,479	10.0	1,239		7
Office Equipment	2123	18,292	7.3	1,416		8
General Purpose Computers	2124	93,006	25.0	7,065		9
Total-- GENERAL SUPPORT ASSETS		478,592		44,456		0
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211					10
Digital Electronic Switching	2212	457,459	9.7	49,130		11
Electro-Mechanical Switching	2215					12
Operator Systems	2220					13
Radio Systems	2231					14
Circuit Equipment	2232	563,865	11.6	76,982		15
Total-- CENTRAL OFFICE ASSETS		1,021,324		126,112		0
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311					16
Customer Premises Wiring	2321					17
Large Private Branch Exchanges	2341					18
Public Telephone Terminal Equipment	2351	7,589	13.6			19D
Other Terminal Equipment	2362					20
Total-- INFORMATION ORIG/TERM ASSETS		7,589		0		0
CABLE WIRE FACILITIES ASSETS						
Poles	2411					21
Aerial Cable	2421					22
Underground Cable	2422	15,531	5.8	3,009		23
Buried Cable	2423	1,067,626	5.8	118,130		24
Submarine Cable	2424					25
Deep Sea Cable	2425					26
Intrabuilding Network Cable	2426					27
Aerial Wire	2431					28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	37,717	3.5	5,254	29
Total-- CABLE WIRE FACILITIES ASSETS		1,120,874		126,393	0
Total Accumulated Depreciation	3100	2,628,379		296,961	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					99,717	1
2113					0	2
2114					0	3
2115					0	4
2116					101,329	5
2121					172,505	6
2122					29,718	7
2123	0				19,708	8
2124					100,071	9
	0	0	0	0	523,048	
2211					0	10
2212	0				506,589	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				640,847	15
	0	0	0	0	1,147,436	
2311					0	16
2321					0	17
2341					0	18
2351				(7,589)	0	19 D
2362					0	20
	0	0	0	(7,589)	0	
2411					0	21
2421	0				0	22
2422	0				18,540	23
2423	1,942				1,183,814	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					42,971	29
	1,942	0	0	0	1,245,325	
3100	1,942	0	0	(7,589)	2,915,809	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	12,542	4.5	582	1
Company Communications Equipment	2123.2	5,750	12.7	834	2
Software	2212.1				3
Digital Switching - Central Office	2212.2	457,459	9.7	49,130	4
Digital Switching - Remote	2212.3				5
Step by Step Switching	2215.1				6
Crossbar Switching	2215.2				7
Satellite and Earth Station Facilities	2231.1				8
Other Radio Facilities	2231.2				9
Digital Circuit Equipment	2232.1	563,865	11.6	76,982	10
Analog Circuit Equipment	2232.2				11
Light Wave Circuit Equipment	2232.3				12
Aerial Cable - Nonmetallic	2421.1				13
Aerial Cable - Metallic	2421.2				14
Underground Cable - Nonmetallic	2422.1				15
Underground Cable - Metallic	2422.2	15,531	5.8	3,009	16
Buried Cable - Nonmetallic	2423.1				17
Buried Cable - Metallic	2423.2	1,067,626	5.8	118,130	18
Submarine Cable - Nonmetallic	2424.1				19
Submarine Cable - Metallic	2424.2				20
Intrabuilding Cable - Nonmetallic	2426.1				21
Intrabuilding Cable - Metallic	2426.2				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					13,124	1
2123.2					6,584	2
2212.1					0	3
2212.2					506,589	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					640,847	10
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					18,540	16
2423.1					0	17
2423.2	1,942				1,183,814	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	17,274	5
Net Deferred Tax Liability Adjustments (4341)		6
Deferred Tax Regulatory Liability (4361)	(41,715)	7
Net Property Related Deferred Operating Income Taxes	(24,441)	
Less: Allocation to Nonregulated Activity	(382)	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(24,059)	
NONPROPERTY RELATED		
Other Current Assets (1350)		9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	7,103	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	7,103	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250	(4,114)			13,160	5
				0	6
				(41,715)	7
	(4,114)	0	0	(28,555)	
	(162)			(544)	8
	(3,952)	0	0	(28,011)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250				7,103	13
				0	14
				0	15
	0	0	0	7,103	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
---------------------	-------------------------------	-------------------------	----------------------------------	--------------------------------

NONE

Total Notes Payable	<u><u>0</u></u>	1
----------------------------	-----------------	----------

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB Mortgage Note	12/01/1980	12/01/2015	9.0000	1
RUS Mortgage Note	12/01/1980	12/01/2015	5.0000	2
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
9.0000			742,609	17,300	759,909	1
5.0000			1,626,716	58,600	1,685,316	2
	0	0	2,369,325	75,900	2,445,225	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common Stock	2,500	100.00	1
TOTAL COMMON STOCK	2,500		
TOTAL	<u>2,500</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
Common Stock	1,260	126,000			1
	1,260	126,000	0	0	
TOTAL	<u>1,260</u>	<u>126,000</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,362,920	2,277,841	1
Changes:			
Balance Transferred from Income	148,881	179,579	2
Dividends Declared:			
Common	94,500	94,500	3
Preferred			4
Total Dividends Declared	94,500	94,500	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>2,417,301</u>	<u>2,362,920</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	63,036	4,413	(2,397)	1
Nonoperating Taxes (Accts. 7410 - 7450)		15,564	33,037	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		(723)	(1,202)	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	63,036	19,254	29,438	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
2,884					67,936	1
	434				49,035	2
					0	3
					(1,925)	4
					0	5
					0	6
				15,484	15,484	7
				466	466	8
				326	326	9
2,884	434	0	0	16,276	131,322	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	273,316	276,867	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	273,316	276,867	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	65,911	64,353	11
Switched Access Revenue (5082)*	339,650	358,557	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	405,561	422,910	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	325,861	323,665	15
Special Access Revenue (5084.3)*			16
TOTAL INTRASTATE ACCESS REVENUES (5084)	325,861	323,665	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	30,685	30,005	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	455	134	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	455	134	
Interstate Billing and Collection Revenue*	18,726	23,374	39
Intrastate Billing and Collection Revenue*	39,042	49,556	40 E
Total Carrier Billing and Collection Revenue (5270)*	57,768	72,930	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	88,908	103,069	
GROSS OPERATING REVENUES	1,093,646	1,126,511	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,158	8,879	42 F
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,158	8,879	
TOTAL OPERATING REVENUES	1,092,488	1,117,632	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)		0	1,821	1
Less: Nonregulated		0		2
Net Regulated	0	0	1,821	3
Total General Support Expense (6120)	27,411	24,066	2,106	4
Less: Nonregulated		0		5
Net Regulated	27,411	24,066	2,106	6
Total Central Office Switching Expense (6210)	57,998	48,346	26,377	7
Less: Nonregulated		0		8
Net Regulated	57,998	48,346	26,377	9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	4,378	8,620	4,024	13
Less: Nonregulated		0		14
Net Regulated	4,378	8,620	4,024	15
Total Information Orig. / Term. Expense (6310)	1,549	543	850	16
Less: Nonregulated		0		17
Net Regulated	1,549	543	850	18
Total Cable and Wire Fac. Expense (6410)	45,209	48,620	24,804	19
Less: Nonregulated		0		20
Net Regulated	45,209	48,620	24,804	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	136,545	130,195	59,982	
Less: Nonregulated	0	0	0	
Net Regulated	136,545	130,195	59,982	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated		0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	34,169	33,988	17,204	25
Less: Nonregulated		0		26
Net Regulated	34,169	33,988	17,204	27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0	0	30
Total Depreciation and Amortization Expense (6560)	305,128	296,961		31
Less: Nonregulated		0		32
Net Regulated	305,128	296,961		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	339,297	330,949	17,204	
Less: Nonregulated	0	0	0	
Net Regulated	339,297	330,949	17,204	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	735		17,238	(19,794)	1
					2
	735	0	17,238	(19,794)	3
6120	797		20,335	828	4
					5
	797	0	20,335	828	6
6210	11,222		3,147	7,600	7
					8
	11,222	0	3,147	7,600	9
6220					10
					11
	0	0	0	0	12
6230	1,803		1,631	1,162	13
					14
	1,803	0	1,631	1,162	15
6310	360		(988)	321	16
					17
	360	0	(988)	321	18
6410	11,107		4,311	8,398	19
					20
	11,107	0	4,311	8,398	21
	26,024	0	45,674	(1,485)	
	0	0	0	0	
	26,024	0	45,674	(1,485)	
6510	0	0	0	0	22
					23
	0		0	0	24
6530	7,485		10,066	(767)	25
					26
	7,485	0	10,066	(767)	27
6540					28
					29
	0	0	0	0	30
6560			296,961		31
					32
			296,961		33
	7,485	0	307,027	(767)	
	0	0	0	0	
	7,485	0	307,027	(767)	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
CUSTOMER OPERATIONS EXPENSE				
Total Marketing (6610)	1,139	969		34
Less: Nonregulated		0		35
Net Regulated	1,139	969	0	36
Total Services (6620)	145,042	142,362	39,583	37
Less: Nonregulated		0		38
Net Regulated	145,042	142,362	39,583	39
TOTAL CUSTOMER OPERATIONS EXPENSE	146,181	143,331	39,583	
Less: Nonregulated	0	0	0	
Net Regulated	146,181	143,331	39,583	
CORPORATE OPERATIONS EXPENSE				
Total Exec. and Planning (6710)	80,318	82,862	38,620	40
Less: Nonregulated		0		41
Net Regulated	80,318	82,862	38,620	42
Total General and Administrative (6720)	124,477	127,163	42,232	43
Less: Nonregulated		0		44
Net Regulated	124,477	127,163	42,232	45
Provision for Uncollectible Notes Receiv. (6790)		0		46
Less: Nonregulated		0		47
Net Regulated	0	0		48
TOTAL CORPORATE OPERATIONS EXPENSE	204,795	210,025	80,852	
Less: Nonregulated	0	0	0	
Net Regulated	204,795	210,025	80,852	
TOTAL EXPENSES	826,818	814,500	197,621	
Less: Nonregulated	0	0	0	
Net Regulated	826,818	814,500	197,621	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			969		34
					35
	0	0	969	0	36
6620	17,227		85,552		37
					38
	17,227		85,552	0	39
	17,227	0	86,521	0	
	0	0	0	0	
	17,227	0	86,521	0	
6710	16,817		27,425		40
					41
	16,817		27,425	0	42
6720	18,393		66,538		43
					44
	18,393		66,538	0	45
6790					46
					47
			0		48
	35,210	0	93,963	0	
	0	0	0	0	
	35,210	0	93,963	0	
	85,946	0	533,185	(2,252)	
	0	0	0	0	
	85,946	0	533,185	(2,252)	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)		0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	305,128	296,961		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	305,128	296,961		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			296,961		3
6562					4
6563					5
6564					6
6565					7
			296,961		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	1,093,646	1
Plus: Collection of amounts previously written off	542	2
Less: Uncollectibles written off during the year	1,700	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	<u>1,092,488</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	273,316	1
Plus: Total Intrastate Access Revenues (5084)	325,861	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>599,177</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,093,646	1
Plus: Collection of amounts previously written off	542	2
Less: Uncollectibles written off during the year	1,700	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,092,488	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	273,316	1
Plus: Total Intrastate Access Revenues (5084)	325,861	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	599,177	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(11,553)	(11,769)	6
Operating Federal Income Taxes (7220)*	6,032	26,811	7
Operating State and Local Income Taxes (7230)*	3,585	9,137	8
Operating Other Taxes (7240)*	65,920	68,098	9
Provision for Deferred Operating Income Taxes--Net (7250)*	3,952	(11,719)	10
TOTAL OPERATING TAXES (7200)*	67,936	80,558	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*			11
Interest Income (7320)*	187,937	183,188	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*			14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	(36,553)	(28,193)	16
Special Charges (7370)*	890	648	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	150,494	154,347	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	33,037	12,002	19
Nonoperating State and Local Income Taxes (7430)*	15,564	5,877	20
Nonoperating Other Taxes (7440)*	434	451	21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*			22
TOTAL NONOPERATING TAXES (7400)*	49,035	18,330	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	154,755	158,924	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	39	38	25
Other Interest Deductions (7540)*	357	314	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	155,151	159,276	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	(7,479)	(7,418)	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	26,276	1
Less: Cost of Goods Sold	2,335	2
Net Sales	23,941	3
Expenses (Acct. 7990.2)	31,420	4
Nonregulated Net Income	<u>(7,479)</u>	5

List the type of nonregulated activities that company is involved in:

NONREGULATED SALES, COST OF GOODS SOLD AND SOME LABOR AND BENEFITS REPRESENT COSTS RELATED TO TELEPHONE SALES AND MAINTENANCE. THE MAJORITY OF THE NONREGULATED EXPENSES RELATE TO INTERNET CHARGES THROUGH ACCESS WISCONSIN.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

NONE

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	197,621	1
Nonregulated Expense	951	2
Plant Accounts	3,837	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	0	5
Total Salaries and Wages	202,409	6

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	97,798	1
Supervision and Other Management				2
Other Employees	5.00	5.00	104,611	3
Total	7.00	7.00	202,409	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	2.00	2.00	97,798	1
Supervision and Other Management				2
Other Employees	5.00	5.00	104,611	3
Total	7.00	7.00	202,409	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	165	835	1 A
Extended Area Service			2
Extended Community Calling	32	133	3
Other Local-Undefined			4
Total Local	197	968	
TOLL			
Operator Handled: State--intraLATA		6	5
Operator Handled: State--interLATA		4	6
Operator Handled: Interstate		7	7
Customer Dialed: State--intraLATA	22	217	8
Customer Dialed: State--interLATA	11	140	9
Customer Dialed: Interstate	19	255	10
WATS			11
Other Toll-Undefined			12
Total Toll	52	629	
Total Local & Toll	249	1,597	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	28	14			2
Feature Group B -- Orig.	12				3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,232		5
Feature Group C -- Term.			1,455		6
Feature Group D -- Orig.	1,114	617			7
Feature Group D -- Term.	2,007	1,107			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	308	2
Sheath miles of plant - fiber optics	0	3
Strand miles of plant - fiber optics	0	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	7	1
56 kbps	2	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	308	2
Sheath miles of plant - fiber optics	0	3
Strand miles of plant - fiber optics	0	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	1	7	1
56 kbps	2	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	151	149	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	31	48	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	0		11
FX-Out (Switched)	2	2	12
Pay Telephone	0	5	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	4		16
- Semi-Public	1		17
- Cust. Owned	0		18
Other	1	1	19
Total Business Lines	190	205	20
Residential (Incl. Emp. Concess.)			
1 Party	1,372	1,398	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	1,372	1,398	27
Total Bus & Res Lines	1,562	1,603	28
Company Used Lines	57	57	29
Total Lines Used	1,619	1,660	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	0		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	13	9	7
Special Access-interLATA			8
(expressed in equiv. access lines)	25	27	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	72	72	13
TSPS - Trunks	7	7	14
EAS - Trunks	0		15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0		20
Business - 4 Party Customers	0		21
Residential - 2 Party Customers	0		22
Residential - 4 Party Customers	0		23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	3,404,096	3,420,604	27
Total Company Square Miles	230	230	28
Total Company Route Miles	303	308	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0780				1
Business					2
1 Party	149				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks	48				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	2				12
Pay Telephone	5				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0				15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other	1				19
Total Business Lines	205	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,398				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	1,398	0	0	0	27
Total Bus & Res Lines	1,603	0	0	0	28
Company Used Lines	57				29
Total Lines Used	1,660	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0780				1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	9				7
Special Access-interLATA					8
(equiv. access lines)	27				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	72				13
TSPS - Trunks	7				14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	3,420,604				27
Exchange Square Miles	230				28
Exchange Route Miles	308				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BRUCE	BRUCE			1
PSCW Exchange ID	0780	0780			2
Central Office Name	BRUCE	BRUCE			3
PSCW Central Office ID	1	2			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1982	1982			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	R			8
Remote Host PSCW Exchange ID		0780			9
Remote Host PSCW Central Office ID	1	2			10
COE Generic Software Release No.	14.1	14.1			11
SS7?	No	No			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	920	740			14
- Equipped	930	838			15
- Wired	930	936			16
Trunks - In Use	79	0			17
- Equipped	96	0			18
- Wired	96	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	0	0			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	0	0			33
No. of fiber strands working (LIT) in C.O.	0	0			34
No. of fiber strands for interoffice use	0	0			35
Miles of fiber sheath in wire center	0	0			36
Access Tandem Serving this C.O.:					
- C.O. Name	RICE LAKE	RICE LAKE			37
- PSCW C.O. ID	4570-01	4570-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes**Telephone Calls and Minutes of Use Per Month Footnote. Page 47**

A) tel calls moved from extended area service to intra-exchange by PSC staff to conform to 1996. Utility written. 8/18/98 ele

Outside Plant Statistics at End of Year Footnote. Page 49

Pursuant to Siepert & Co. letter dated October 19, 1998, Bruce Telephone Company has no aerial or fiber optic plant. ele

Service Data Footnote. Page 50

eoypay stations revised per Siepert & Co. letter dated 10/19/1998. ele

Service Data - End of Year Footnote. Page 52

Pay station information revised pursuant to Siepert & Co. letter dated October 19, 1998. ele

Central Office Data - End of Year Footnote. Page 55

access tandems added by PSC staff/Judy Klug by ele 9/24/98

Schedule Line Footnotes

- A) Page 22, Account 2212 - Reclassification between digital central office equipment and circuit equipment.
- B) Page 22, Account 2351 - Transfer public telephone equipment to nonregulated investments.
- C) Page 24, Accounts 2212.2 and 2232.1 - Transfer of public telephone equipment to nonregulated investments as of 4/15/97 per FCC order.
- D) Page 26, Account 2351 - Transfer of public telephone equipment accumulated depreciation to nonregulated investments as of 4/15/97 per FCC order.
- E) Page 40, Account 5260 - Certain carriers began doing their own intrastate billing and collection functions in 1997 therefore reducing revenues.
- F) Page 40, Account 5300 - Prior year amounts thought to be reimbursable toll amounts were not collected and written off during 1996. This did not recur in 1997.